

[Obama and the War in Pakistan](#)  
[Marxist Theory & Crises \(Part 2\)](#)  
[Trade Unions and the Law](#)  
[Modern Economics: Neither Respectable](#)  
[The Working Class and Exploitation \(Part 1\)](#)  
[Capitalism and Censorship](#)  
[No Social System Lasts Forever](#)  
[Engels: The Frock-Coated Communist](#)  
[The Same Old Politics](#)

**Socialist Studies No 76, Summer 2010**

## Obama and the War in Pakistan & Afghanistan

Bob Dylan wrote his song *The Times They are a Changin'* during the period of the Vietnam War. Many protested against the war, burnt their draft cards and some demonstrators were violently beaten by the police. At Kent University four unarmed students were killed when the Ohio National Guard fired on demonstrators. The shootings led the Russian poet, Yevgeny Yevushenko, to write of Allison Krause, one of the female students killed:

*Of course:  
Bullets don't like people who love flowers,  
They're jealous ladies, bullets, short on kindness.  
Allison Krause, nineteen years old, you're dead for loving flowers.*

An iconoclastic image of the time is of a young woman putting a flower in the barrel of a gun carried by a soldier no older than herself outside the Pentagon in October 1967. A sizeable proportion of Bob Dylan's generation actually fought and died in the war; some 56,000 of them. The civilian casualties in Vietnam ran into the hundreds of thousands. As Country Joe and the Fish sang at the time: *And it's one, two, three, What are we fighting for? Don't ask me, I don't give a damn, Next stop is Vietnam; And it's five, six, seven, Open up the pearly gates, Well there ain't no time to wonder why, Whoopee! We're all gonna die.*

Nearly fifty years after Dylan's "*anthem to his generation*" there has not been a year between 1964 and 2010 without a war being fought over trade routes, spheres of influence and mineral and oil resources. Instead of the running and shouting demonstrators there is the silence of the Afghanistan war. No protests; just resignation and apathy.

Times never changed. The Civil Rights movement led to Barack Obama. Barack Obama, whose presidential ambitions were launched by his opposition to one war, moved in February 2009 to expand the U.S. deployment in another. In his first such action as president, Obama ordered an additional 17,000 combat troops to Afghanistan. His administration cast the move as an interim step to battle the resurgent Taliban, secure Afghanistan's border with Pakistan and stem the decline in a war that the United States cannot win.

And why is the United States so obsessed with Pakistan? One reason is that Pakistan is traditionally a strategic ally and economic partner of China, a country which the US and British are determined to oppose and contain on the world stage.

Specifically, Pakistan could function as an energy corridor linking the oil fields of Iran and possibly even Iraq with the Chinese market by means of a pipeline that would cross the Himalayas above Kashmir. This is the so-called “*Pipelinestan*” issue.

*Pipelinestan* encompasses Iraq, Iran, Tajikistan, Uzbekistan, Pakistan and maybe a few more 'stans whose geography straddle oil and gas lines (source: SOURCE WATCH January 2010).

These potential oil and gas routes would give China a guaranteed land-based oil supply not subject to Anglo-American naval superiority, while also cutting out the 12,000 mile tanker route around the southern rim of Asia. China has been pressuring Tehran for participation in the pipeline project while Pakistan has also welcomed China's participation.

According to an estimate in the ASIA TIMES, such a pipeline would result in Pakistan getting \$200 million to \$500 million annually in transit fees alone.

The article said:

*“China and Pakistan are already working on a proposal for laying a trans-Himalayan pipeline to carry Middle Eastern crude oil to western China. Pakistan provides China the shortest possible route to import oil from the Gulf countries. The pipeline, which would run from the southern Pakistan port of Gwadar and follow the Karakoram highway, would be partly financed by Beijing. The Chinese are also building a refinery at Gwadar”.*

And the author Syed Fazl-e-Haider went on to say:

*Imports using the pipeline would allow Beijing to reduce the portion of its oil shipped through the narrow and unsafe Strait of Malacca, which at present carries up to 80% of its oil imports. Islamabad also plans to extend a railway track to China to connect it to Gwadar. The port is also considered the likely terminus of proposed multibillion-dollar gas pipelines reaching from the South Pars fields in Iran or from Qatar, and from the Daulatabad fields in Turkmenistan for export to world markets. (“Pakistan- Iran sign gas pipeline deal,” 27 May 2009).*

This is the normal capitalist practice of international competition and alliances over world resources, trade routes and spheres of strategic interest. And it is the working class soldiers who are killing and being killed in Afghanistan for the pipe and gas routes which are being built and will be built all over “*Pipelinestan*”.

They are expendable pawns just as they were in the 19th century.

Here is Rudyard Kipling:

*When you're wounded and left on Afghanistan's plains,  
And the women come to cut out what remains,  
Just roll to your rifle, and blow out your brains.  
An' go to your Gawd like a soldier.  
“White Man's Burden”*

Well the soldiers who are doing the dying in Afghanistan are of all races, gender and creed. Some are now women; the “*triumph*” of three decades of feminism being a photograph of a female officer on the front cover of COUNTRY LIFE dressed in fatigues and now given the same chance as her male counterparts to kill the insurgents in Helmand Province. From “*girls with pearls*” to the killing fields of Afghanistan. Times have not changed; flowers have not replaced bullets.

As one of Dylan's generation was to recall with disillusion:

*I wish that I could dream like I did back then. Dream with certainty that the dream —or something very like it — would no doubt occur: Of course all our 60s passion would end the war. Of course we'd bring the boys home from Vietnam with our songs of love and peace. Of course communes would become the new way to live. And of course just sharing everything was the simplest way to world peace” (<http://darkandstormy.net/stormy/contact/>).*

And with the first black President it is no longer a white man's burden. President Obama has ordered missile attacks into Pakistan most of those being killed being women and children and a military surge in Afghanistan which now looks like being settled by buying the Taliban off.

And the interests of Obama's administration remain exactly the same as it did for George Bush; Oil and Gas, the United States' strategic position in Eurasia and resistance to the growing political and economic power of China.

Oil and natural gas pipelines from Iran across Pakistan and into China would make US control tenuous in a part of the world which Washington have traditionally sought to control as part of their overall strategy of world domination. This is where the interest and policy goals of the Obama administration lay in the deployment of more troops to Afghanistan and the expenditure of billions of dollars.

As Professor Juan Cole President of the Global Americana Institute noted:

*A common explanation for the US presence in Afghanistan is Washington's interest in Central Asian fuel sources-- natural gas in Turkmenistan and Uzbekistan and petroleum in Kazakhstan. The idea of Zalmay Khalilzad and others was to bring a gas pipeline down through Afghanistan and Pakistan to energy-hungry India. Turkmenistan became independent of Moscow in 1991, making the project plausible. For this reason some on the political Right in the US actually supported the Taliban as a force for law and order.*

*If that was the plan, it has failed. Instead China has landed the big bid to develop a major gas field in Turkmenistan along with a pipeline to Beijing. Turkmenistan had strongly considered piping the gas to Moscow instead, but developed conflicts with Gazprom.*

*So the US is bogged down in an Afghanistan quagmire, and China is running off with the big regional prize* (<http://www.juancole.com> 15. 12. 2009)

There is a painting of the last British Soldier leaving the Khyber Pass after the British Army was routed by an Afghan tribal force in the 19th century. No cartoonist yet has re-used this painting and transposed the dejected face of the soldier with the image of President Barack Obama. Time will tell. And the times will really only change when the working class stops voting for capitalist politicians whether they be black or white; straight or gay, male or female. Dreams cannot change society. Imagination helps. But it is only conscious political action which can end war and the capitalist cause of war. Only with the establishment of Socialism will flowers replace bullets; peace replace war and human cooperation replace competition and conflict.

## THE NEED FOR SOCIALISM

The Socialist Party of Great Britain urges workers to use their intelligence and imagination to consider a world of production and distribution utterly different from the one that exists today. The only alternative to capitalism is Socialism. Socialism would mean production for social use not profit. Socialism would mean no leaders and coercive State but the administration of things. Socialism would mean voluntary and co-operative labour rather than coercion and the wages system, however, the task of establishing socialism is a political struggle. Socialism can only be established consciously and politically by a majority of workers understanding and wanting Socialism. Socialism cannot be imposed on the working class. The need for Socialism is urgent. Only a Socialist majority can establish Socialism. No one else can do it for them.

[Back to top](#)

# Marxist Theory and Crises (Part 2)

In the first part of this article (see SOCIALIST STUDIES NO. 74), we pointed to capitalism's history of repeated crises – the business cycle. We argued that, whatever the government's policy, whether free trade or protectionist,

whether Keynesian or monetarist, governments are simply not able to prevent these cycles turning from boom to bust. The Keynesian policy of ‘*pump-priming*’ – now re-labelled ‘*quantitative easing*’ – led to inflation, with resulting structural unemployment since export industries became uncompetitive on world markets.

In the 1940s, all the major political parties, taken in by Keynesian economics, pledged a policy of ‘full employment’ – a promise neither Labour nor Tory governments were able to stick to. But the Socialist Party of Great Britain has consistently argued that, contrary to politicians’ promises, it is not possible to guarantee ‘full employment’ under capitalism.

The Left claim that crises are due to low wages, which they say mean that the working class can never be in a position to buy all that they produce. As we pointed out (SOCIALIST STUDIES NO. 74, pp 14-15), that argument was answered by Marx.

Now, politicians and economists, panicking at the current crisis, go in for the blame game. Many blame the City speculators, e.g. Jeremy Warner:

*Investment bankers are at the heart of most big financial crises... they soon recover and move on to sowing the seeds of the next crisis.*

Warner argued that City firms’ revenue had been inflated by the “*sale of essentially bogus product*” which raised the question of “*how real the profits were in the first place*”:

*As a percentage of GDP, corporate profitability [from investment banking] both in the US and the UK is at record levels. The last time it was quite as buoyant was at the turn of the century. As it transpired, quite a bit of it was pure illusion, and in some cases – e.g. Enron... – outright fraudulent...*

J Warner, THE INDEPENDENT, 6 October 2007

But this is nothing new. In some articles Marx wrote in 1856 for the New York TRIBUNE, he quoted a vivid description by Montalembert, a denunciation of France’s casino culture, with its gambling and stock jobbing:

*... the whirl of speculation... the fever of speculation, the thirst for lucre... the infatuation of gambling... men are carried away by the mania of making... rapid fortunes – fortunes achieved without trouble, without labour, and often without honour... this fearful mania of gambling... has made a vast gambling booth of nearly all France.*  
DISPATCHES FOR THE NEW YORK TRIBUNE Penguin, p183

That passage could have been written at any time in the last 10 years or so, in Britain or the US, in Germany or Japan, in China or Russia.

In 19th century France, Louis Bonaparte had set up the Credit Mobilier, a sort of investment bank or merchant bank. It was supposed to provide credit to help get major enterprises off the ground, and start-up capital for development projects – to build railways, canals etc. But this credit, this commercial capital – where did all that money come from?

In the same article, Marx explained how the Credit Mobilier was set up to raise funds on the Bourse, France’s Stock Exchange:

*Stockjobbing then is to be the base of the industrial development, or rather all industrial enterprise is to become the mere pretext of stockjobbing. [This meant] subscribing for shares to the greatest extent, in the greatest number of speculations, realizing the premiums, and getting rid of them as fast as possible.*

In modern times, a bit of speculative trading like this might be referred to as “*bed and breakfasting*”. It is often used in cases of insider trading: a punter knows he is onto a hot thing, puts in as much cash as possible, and then gets it out as fast as possible. For instance, if one knew of a company which was about to be floated on the Stock Exchange, the trick is to buy shares as soon as or before they are officially on the market, wait a bit till the price has risen, and then flog them for a neat little profit. That is a classic insider ploy, supposedly illegal in London but said to be still

widely practised. As Marx noted, the French state's backing for the Credit Mobilier meant that insider trading and profiteering on a huge scale was built into the system.

Quite apart from the blatant corruption involved, which is inherent in every stock exchange in the world today, including London, Marx also argued that this French government-backed Credit Mobilier was bound to have a distorting effect on the availability and use of investment capital, and that would lead to crises by upsetting the usual balance between fixed and floating capital:

*A commercial bank, by its discounts, loans etc sets free temporarily fixed capital. Almost every commercial crisis in modern times has been connected with a derangement in the due proportion between floating and fixed capital (ibid.).*

In our time, with the 'credit crunch', banks are hoarding and not lending their funds, refusing the credit that firms need for their ongoing operations or for expansion, and that individuals need for purchases, including mortgages for housing, or loans for car purchases. As a result, all sorts of financial transactions are now almost at a standstill, due to banks being paralysed with panic - afraid to commit themselves to any deals. Finance capital is shackled so cannot circulate freely. And the result is a crisis.

Marx argued that in industry there needs to be a suitable balance between floating and fixed capital – i.e. between the amount of finance capital available to spend on businesses' running costs, including wages, and the amounts locked up in overheads such as buildings, machinery, etc. He argued that the French Credit Mobilier was doing the opposite of what a commercial bank should do: it got hold of 'floating capital' and fixed it. It attracted money like a magnet, and then tied up this finance capital in long-term building and infrastructure projects. The huge scale of its operations was creating a credit shortage, a credit crunch.

## The 1857 Crisis

In another article, in 1857, dealing with the Bank of England's helplessness at a time of crisis, with a run on bullion at a time of a major commercial crisis, Marx wrote that "*the crisis the British commercial community have to pass through... is beyond Government control*" (21 November 1857, op. cit., p 197).

According to the House of Commons Commission's report on the 1857-8 crisis:

*... the recent commercial crisis in this country, as well as in America and in the North of Europe, was mainly owing to excessive speculation and abuse of credit.*

Marx, 5 January 1858, op. cit., p 200

*But Marx was not satisfied with such a superficial explanation. He went on to argue:*

*The question is... how it happens that, among all modern industrial nations, people are caught, as it were, by a periodical fit of parting with their property upon the most transparent delusions, and in spite of tremendous warnings repeated in decennial intervals. What are the social circumstances reproducing, almost regularly, these seasons of general self-delusion, of over-speculation and fictitious credit?... Either they may be controlled by society, or they are inherent in the present system of production. In the first case, society may avert crises; in the second, so long as the system lasts, they must be borne with, like the natural changes of the seasons. (ibid., p 201)*

In the same article, Marx gave a blistering indictment of the greed and "private speculations" of the directors of some of the banks and joint stock companies which had failed:

*Powerful engines in developing the productive powers of modern society, they have not, like the medieval corporations, as yet created a corporate conscience in lieu of the individual responsibility which, by dint of their very organisation, they have contrived to get rid of (ibid., p 204).*

Now that "*Fred the Shred*" Goodwin has been forced to hand back a bit of his massive pension while other banks,

including the Royal Bank of Scotland, are continuing to carry on with massive bonuses for managers as before, we would like to see Marx commenting on the present crisis. A lot of what he said in those articles in the 1850s would be very relevant today.

## Keynes and Lack of Demand

Marx had explained in the 19th century how crises are caused by the capitalist system of competitive production for profit, and so are beyond the control of governments:

But, in the 1920s and 1930s, John Maynard Keynes thought otherwise. Keynes rejected Marxism, writing sarcastically:

*Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.*

GENERAL THEORY OF EMPLOYMENT chap. 24, 1936/1947

Keynes had started out as an orthodox, 'neo-liberal' classical economist but was confronted by the problem of mass unemployment in the 1920s, when he wrote THE END OF LAISSEZ-FAIRE (1926). Ten years later he published his GENERAL THEORY OF EMPLOYMENT (1936). Keynes held that free-market, '*laissez-faire*' policy was only a fair weather system - good enough when conditions were favourable but inherently unstable. He argued that this meant that governments had a key role to play: they should intervene to regulate the economy.

He saw depressions as resulting from inadequate demand. This meant, he argued, that governments should increase state spending in depressions so as to boost demand. While orthodox economists insisted that governments should operate with balanced budgets, Keynes called for deliberate deficits and big programmes of government spending so as to kick-start recovery.

Marx and Engels had argued that commercial cycles are recurrent - a normal, if nasty, part of the way capitalism operates. However, Keynes held that the depressed level of demand was reinforced by the 'multiplier effect', a vicious circle where rising unemployment led to a decline in consumer spending, and this in turn led to more factory closures, more unemployment, and so on.

He argued that it was only by government intervention that capitalism could be rescued from the doldrums, and so from the risk of social unrest or even 'revolution' as in Russia. Effectively, Keynes's argument implied that capitalism has an inbuilt tendency to collapse, so that politicians must forever be watching for signs of the next crash in order to save the system. And Keynes claimed that he had saved capitalism.

Yet capitalism's trade cycle has passed through countless crises: long before Keynesian interventionism, the system has passed from crisis to crisis.

After a period of time, after surplus stocks are depleted, sooner or later the demand for commodities and the possibility of profitable exploitation of labour power recovers. Bit by bit, capitalists spot fresh opportunities to turn a profit, they test the water, and so production resumes.

Engels described the commercial cycle:

*... since 1825, when the first general crisis broke out, the whole industrial and commercial world, production and exchange... are thrown out of joint about once every ten years. Commerce is at a standstill, the markets are glutted, products accumulate, credit vanishes, factories are closed, the mass of the workers are in want of the means of subsistence, because they have produced too much of the means of subsistence; bankruptcy follows upon bankruptcy... The stagnation lasts for years; productive forces and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filters off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turn grows into the headlong gallop of a perfect steeplechase of industry,*

*commercial credit and speculation, which finally, after breakneck leaps, ends where it began – in the ditch of a crisis. And so over and over again. We have now, since the year 1825, gone through this five times, and at the present moment (1877) we are going through it for the sixth time. And the character of these crises is so clearly defined that Fourier hit all of them off, when he described the first as a ‘crise plethorique’, a crisis from plethora.* SOCIALISM, UTOPIAN AND SCIENTIFIC (1877/1892)

This history of capitalism’s repeated crises shows that Gordon Brown’s frequent claims to have “*ended boom and bust*” were pure Walter Mitty fantasy, likewise his dreams of steady, non-stop growth.

During the 1930s Great Depression, Keynes’s policy recommendations found their way to the desperate President Roosevelt and influenced his New Deal policies: policies of massive US Federal spending to boost demand and so get rid of unemployment. This was done at the same time as the British government was sticking to traditional economic advice: letting mines, factories and shipyards close, balancing its budgets, and keeping government spending as low as possible.

So here was the Thirties test of the Keynesian theory: governments could either follow his advice and solve the problem of mass unemployment by government intervention, or stick with the old free-market, ‘*laissez-faire*’ policies and leave it all to the ‘*invisible hand*’ of the market. As we know, in the 1930s it seems to have made little difference which economists the British and American governments listened to: whether they followed the old line of letting the market sort things out, as the British government did, or whether they intervened with state spending to boost demand, as Roosevelt did.

Whichever policy a government followed, it took a number of horrible years before the millions of jobless workers on either side of the Atlantic were able to find jobs. If anything, it may be that the Keynesian policy was less effective in ending the recession.

In the US, it seemed as if the unemployment rate fell fast: it did fall from 1933-1937, from 25 per cent to 14 per cent of the workforce. But in 1937 there was another bout of recession, which meant that the American unemployment rate went back up to nearly 20 per cent. Even in 1940 it was still high, at about 15 per cent. If anything, the Keynesian New Deal policies in the US went with a continued high rate of unemployment which did not clear any faster than in Britain.

Keynes’s influence is still dominant now as when Gordon Brown argues that he wants “*to spend more*”. But, as Marx argued, crises are not due to lack of demand:

*It is purely a tautology to say that crises are caused by the scarcity of solvent consumers, or of a paying consumption... crises are precisely always preceded by a period in which wages rise generally and the working class actually get a larger share of the annual product intended for consumption. From the point of view of the advocates of ‘simple’ (!) common sense, such a period should rather remove a crisis. It seems, then, that capitalist production comprises certain conditions which are independent of good or bad will and permit the working class to enjoy that relative prosperity only momentarily, and at that always as a harbinger of a coming crisis.*

CAPITAL VOL.II chap. XX, Kerr edition, pp 475-476

## **‘Quantitative easing’ = printing money to boost demand**

If anyone is confused about the actual meaning of what the Bank of England calls ‘quantitative easing’ and the Federal Reserve calls ‘credit easing’, the reality is that both central banks are effectively printing money.

As in the Thirties, the Americans see this as a Keynesian policy to increase demand while the monetary effect - the increase in the money supply – is seen as only secondary. And, as in the Thirties, the Bank of England is explaining its very similar policy in monetarist terms. As The Economist commented: “*The rhetoric may be different but the policies are largely the same*” (31 March 2009).

But this policy is clearly not effective. That is because, as Marx argued, a crisis leading into a depression follows



after a boom: i.e. after a period of relative prosperity, with production increasing; a period of high demand for labour, when wages will have been rising. At such times, workers' spending will have been increasing - even on the sort of things which normally would be seen as luxuries, such as the purchase of larger houses and cars, better kitchen equipment, the latest in mobile phone technology, more spending on holidays and travel, and even on buying holiday homes abroad.

All this recent spending splurge was aided and abetted by banks and other lenders, especially the credit card industry, offering workers the chance to get more and more into debt, by borrowing on credit cards with zero interest rates, while banks competed to offer tempting mortgage deals.

But '*quantitative easing*' is unlikely to have much effect in getting banks to re-start lending to individuals or to businesses, since so many banks are in trouble now, due to having so many bad debts on their books. As the 'real economy' has nose-dived into recession, more once sound businesses have been going to the wall, and so more and more workers find themselves out of work, and so unable to keep up with their mortgage and credit card repayments.

As a result banks, which were trying to assess just how bad their risk exposure was, are now finding their figures getting worse and worse. The Bank of England reported that the banks' bad debts - personal debts on credit cards - which had been written off came to £3.2 billion in 2008, but by the end of 2009 this figure had risen to £4.12 billion. In the same period, the amount written off on mortgages had more than doubled (BBC NEWS, 1 March 2010).

The government's naive notion was that, by sending off to the banks huge parcels of cash or bonds (Government IOUs), they would enable banks to start up lending to businesses again. But this idea disregarded the fact that the real economy was in recession. As Marx had argued in 1857: "*the crisis the British commercial community have to pass through... is beyond Government control*" (DISPATCHES FOR THE NEW YORK TRIBUNE, Penguin, p 197).

## **Military spending sets new record**

But there is one still thriving sector of the economy - the arms industry. Global military spending rose by 4 per cent in 2008 to a record \$1.464 billion (£914 billion) - up by 45% since 1999 (BBC2 CEEFAX, 9 June 2009). So-called 'peace-keeping' operations, which also benefit defence firms, rose 11 per cent in 2008. In contrast with civilian aerospace and airlines, the defence industry remains "*healthy*". SIPRI (the Stockholm-based peace institute) reported that:

*The global financial crisis has yet to have an impact on major arms companies' revenues, profits or order backlogs.*

So, in spite of the banks and the credit crunch, the depression and mass unemployment, we can still be sure of one - reassuring? - certainty, which is that capitalist governments intend to go on preparing for wars. So, if you want a better world for future generations to inherit, it is stupid to want to stick with capitalism. This system has obviously not been able to solve any working-class problems. It cannot even solve the recurrent problem of the industrial cycle, in which every so often a crisis comes along, apparently '*out of the blue*', destroying profitable businesses, together with workers' hopes for the future. The problem for the workers remains still the class system which keeps us in poverty and insecurity, exploiting us for profit. *We* work to make *them* rich. It is high time for the working class the world over to unite, and organise to end the wages system and establish Socialism.

### **WAR, RAW RESOURCES AND TRADE ROUTES**

According to The INDEPENDENT ON SUNDAY the US is constructing new military, navel and air bases in Colombia (22.11.09). In return, Colombia has received military aid worth \$6.4 bn from the US even though Colombian forces regularly kill the country's indigenous population and other civilians.

Why is the US in Colombia? The answer is simple; oil. The US gets half its oil from Latin America and was, according to the I on S "*one of the reasons the US Fourth Fleet was re-established in the region's waters in 2008*".

Several Latin American oil rich countries no longer obey the US line; Venezuela, Bolivia and Honduras to name but three. That the US sees Colombia as a strategic sphere of influence was underscored by the US Air Force who stated



that one air base in Colombia was vital because it forms “...a critical sub region of our hemisphere where security and stability is under constant threat from...anti-US governments”.

The US government does not want a political block put on their access to oil supplies. The US government want to secure oil supplies and ensure stable governments willing to accept US policy in the region. The Socialist Party of Great Britain has always maintained that capitalism and war are inseparable. Wars are fought in capitalism over trade routes, spheres of political influence, strategic points and raw resources.

“*There can be no capitalism without conflicts of economic interest*” we wrote in our pamphlet WAR AND THE WORKING CLASS (SPGB August 1936). We stated that the working class have two options; one is supporting the capitalist class in its interests which will only lead to “*blood and tears*” or the establishment of Socialism.

[Back to top](#)

# Trade Unions and the Law

## Capitalism and the Trade Unions

British Airways recently went to the High Court to get a ruling that a proposed strike by BA workers was illegal. The Court found in BA’s favour and the union was forced to re-ballot its members although an overwhelming majority still were in favour of a strike.

Increasingly Unions are working in a legal environment which prescribes what they can and cannot do. During the 1980’s the Thatcher government passed several anti-trade union laws which have been continued by the Labour Governments of Blair and Brown. Of course, there is one piece of legislation the government, Labour or Tory, cannot enact and enforce; and that is to abolish the class struggle.

Trade Unions arise of the class struggle between those who own the means of production and the working class; “*between those who possess but do not produce and those who do produce but do not possess*”.

On the industrial field the struggle takes the form of agitation and the use of strikes to influence bargaining over wages and working conditions. Eventually conscious political action will be taken by a Socialist majority to establish a system of society based upon the common ownership and democratic control of the means of production and distribution by, and in the interest of, the whole community –the purpose for which the Socialist Party of Great Britain exists.

Workers early on realised that they could strengthen their position by forming organisations to present a united front to the employers, to conduct strikes or resist lock-outs, and to give protection to individual members against victimisation. This did not mean that the struggle became one between equal forces, for in the background was the government, always there to use control of the legislature, the police and armed forces, to protect capitalist ownership.

## State Coercion and Trade Unions

Power is in the hands of the government but how, and with what degree of ruthlessness they use it depends on a variety of political and other considerations. In the general capitalist interest they will, on occasion, put pressure on particular employers to make concessions to strikers but never to jeopardise capitalism.

In the early days of his Presidency Ronald Reagan chose to break and humiliate the Professional Air Traffic Controllers Organization (PATCO).

In August 1981 PATCO went on strike in a dispute with the Federal Aviation Administration (FAA) to demand

shorter hours, increased staffing and improved wages. The same day, President Ronald Reagan went on national television, speaking from the White House Rose Garden, to denounce the strikers and issue an ultimatum: either they returned to work within 48 hours or they would be summarily fired and permanently banned from federal employment.

Two days later, on the basis of an obscure and previously unenforced 1955 law banning strikes by government unions, Reagan fired all 11,359 controllers who had defied his back-to-work order. Thus began a government union-breaking operation that ended with the permanent dismissal and blacklisting of the workers involved in the strike, the seizure of PATCO's finances, and the decertification of the union.

It included the spectacle of PATCO officials being led to jail in shackles and FBI agents and federal marshals converging on the picket lines. Four PATCO members were jailed by the federal government in the spring and summer of 1983 for participating in the strike. Four union officials were singled out by the Reagan administration for their role in the strike, convicted on criminal charges of striking against the government, imprisoned and fined.

In recent years we have seen the Labour Government use troops to break strikes by the Firefighters. In fact the labour Party has a long history of using troops to break strikes. They also have a long history on trying to impose legally binding pay restraints on trade unions.

Alongside the general purpose for which Governments use their power in industrial disputes is the question of the extent to which, and the way in which practice is governed by trade union laws. A simple but erroneous view held by some politicians and some trade unionists is that the law is the last word on any trade union activity so that of the law prohibits something it will not take place and that if the law permits something all will be well.

It is erroneous because there are occasions when masses of angry workers will strike in defiance of even savage penalties. During the two world wars there were large numbers of illegal strikes many of them successful. Governments sometimes chose to turn a blind eye and refrain from enforcing laws, as with the Conspiracy and Protection Property Act 1875 and 1919, which prescribed a fine or imprisonment on electricity and gas workers for certain strikes.

The Act was hardly ever used and when the Labour Government in 1950 prosecuted some gas workers under the Act and under Emergency Power Regulations and a conviction was obtained, the Government had second thoughts in face of protests from their own supporters and the proceedings were dropped (these provisions were repealed by the Heath Government). Also, it is hardly necessary to say that the fact that strikes are legal does not mean that workers are bound to win.

## **The Class struggle in China.**

Take the example of China where strikes are illegal. Workers are still prepared to strike and in some circumstances are successful. At the beginning of October 2004 a strike took place in the "*Special Economic Zone*" of Shenzhen, on the southern coast of China. The 3,000 workers of Computime, an electronic components company, were able to force the company to agree to a 170% wage increase (BBC news October 2004). There have been strikes elsewhere since like the workers who went on strike for more pay at Honda in April 2010.

The workers' were on wages of – 53 Yuan a week or \$6.39, in a country where the minimum wage is 141 Yuan a week or \$17. The company takes rent out of this low pay for a bed in the company dormitory and meals in the company's dining hall. The strike also revealed the poor working conditions the workers suffer under: an 11 hour shift with no days off and fines for every imaginable infraction – for example, staying more than five minutes in the toilet.

At the beginning of October the workers organized the strike and blocked off one of the biggest streets of the city, causing problems for other businesses. After a day and a half on strike, the workers won their increase, bringing their wage up to 143 Yuan a week, slightly higher than the legal minimum. Even under repressive political dictatorships

the class struggle continues unabated.

## The Trade Unions and Political Parties

The early history of British trade unions shows the limitations of law. Before 1824 trade unions were illegal under the Combination Laws, but workers took no notice of the legislation and unions went on being formed and operating.

*“That was the difficulty which both the employers and the government faced. Pass laws against Combinations as they might, spy on the workers as they in fact did, nothing could stop the work people from organising to resist the degradation of their standard of life”*

(TWO CENTURIES OF TRADE UNIONISM. TUC 1952, p. 15).

The question of trade union law was raised in a potential strike by postal workers in the late 1970's. A court decision upheld by the House of Lords, said that workers committed an offence if they *“wilfully delay or detain the mails”*. A Bill was later introduced before Parliament to remove this disability with Government backing.

There has been a pattern in trade union history; a pattern of relaxation of trade union law, interrupted however by periodic setbacks, often brought about by court decisions upsetting accepted interpretations; as for example the court decision in 1867 depriving Unions of legal protection against theft of their funds and the decision in 1906 in favour of the Taff vale Railway Company in its action for damages against the railway unions.

The way in which these setbacks have been dealt with through amending legislation also follows a pattern; that of the unions doing a deal with a political party; as in the case with the liberals in 1906 and 1913; with the Labour Party in 1946 (repeal of the 1927 Trade disputes and Trade Union Act) passed by the Tories after the General Strike) and with the labour Party in 1974 (repeal of the Tory Industrial Relations Act). The pattern came to an abrupt end in 1997 when Tony Blair's Labour Government kept the previous Tories legislation on the Statute book. However this has not prevented Trade unions striking or getting from employers in periods of good trade better working conditions and higher pay.

The concessions in the form of relaxations of the law made during the past three centuries have not been made without expectation of compensatory gain; some members of the government which legalised strikes in 1824 had even been persuaded that unions would not take advantage of it. When a political party has made a deal with the unions about amending the law, it has counted on electoral and financial support in return, but the employers have also had an interest.

As the unions established themselves under the protection of the law and increased their membership the big employers of labour not only came to terms with the unions but saw that they too have need of trade union organisation because they must have some body with which to negotiate and because unions can be drawn into schemes for raising productivity.

## Engels and the Trade Unions

Frederick Engels, surveying the changes in the second half of the nineteenth century, had already noticed the new attitudes of employers. While commenting on the way the conditions of the workers organised in trade unions had *“remarkably improved since 1848”* Engels had this to say about the employers:

*“Thus a gradual change came over the relations between both classes. The Factory Acts, once the bugbear of all manufacturers, were not only willingly submitted to, but their expansion into Acts regulating almost all trades was tolerated. Trades' Unions, hitherto considered inventions of the devil himself, were now petted and patronised as perfectly legitimate institutions, and as useful means of spreading sound economical doctrines amongst the workers. Even strikes, than which nothing had been more nefarious up to 1848, were now gradually found out to be occasionally very useful, especially when provoked by the masters themselves at their own time*  
(1892 Preface to CONDITIONS OF THE WORKING CLASS IN ENGLAND IN 1844 London p.xiii 1892).

The process has gone further since Engels wrote the above.

The unions are more occupied with promoting productivity schemes and export drives and more closely involved with the Labour Party in the running of capitalism than they ever were with the Liberal Party in its heyday. Trade unions still spread “*sound economical doctrines*” useful to the capitalist class to their members, particularly the doctrines of Keynes. And they still waste their member’s money by bankrolling an openly anti-working class political Party on the spurious grounds that it is better to have the Labour Party in government than the Tories.

It was left to Engels’s colleague, Karl Marx, to place the limitations of trade unions in its revolutionary context. While the capitalist class own the means of production and the object of production is profit then the workers will always be on a uneven playing field which they do not own. Instead they should, as Marx concluded, organise consciously and politically for the “*abolition of the wages system*”.

## THE SPGB AND TRADE UNIONS

The Socialist Party of Great Britain has a distinctive view of the problems facing the unions. It is that –necessary as they are to prevent employers depressing wages excessively –the unions are strictly limited in what they can achieve for their members within the capitalist system of society out of which unions arise and within which they operate.

Capitalist companies, whether State or private, are both operated for the purpose of making a profit and they cannot long survive without it. Trade unions cannot push wages up to a level which prevents profits from being made. When companies are marketing their products profitably a union can hope to win concessions by threatening to halt production and interrupt the flow of profits. But against a firm nearing bankruptcy, or during a depression when firms generally are curtailing production, standing workers off or closing down whole factories, the strike is a blunted weapon.

Trade Unions fighting the same old battles over and over again offer no way out of the dead-end of capitalism. There is nothing the unions can do which will substantially alter the way capitalism works...Only Socialism will free the working class from the problems which flow from capitalism –including war, exploitation, poverty, unemployment and bad housing

(TRADE UNIONS Socialist Party of Great Britain 1980 Preface)

[Back to top](#)

# Modern Economics: Neither Respectable Nor a Science

## The Continued Degeneration of Modern Economics

The current economic crisis has left modern economics in tatters. The Monetarists claimed that control over the money supply by the Bank of England coupled with low inflation would mean no more boom and bust; rising levels of prosperity for everyone, and a harmonious and self-adjusting market.

The economists were wrong and modern economics has continued to degenerate into a vulgar pseudo-science. In order to attack Marx's labour theory of value at the end of the nineteenth century, economists created a subjective utility theory of value formed from the psychological preferences of individuals, infinite demands, a scarcity postulate and a concept of human nature based on calculating greed and opportunism.

These economists unsuccessfully attempted to block out Marx's revolutionary and scientific insights into the anarchy of commodity production and exchange for profit and in doing so undermined the entire classical economic tradition from Petty through to Smith and Ricardo. For the economists of the 1870's classical political economy was too dangerous. And with good reason.

William Petty had announced as early as the 17th century that “*Labour is the father and active principle of wealth, as lands are the mother*” (A TREATISE OF TAXES, AND CONTRIBUTIONS 1662) while the Austrian economist, Professor Freidrich Weiser told his students that “*Ricardo led straight to Marx*”.

And so worried was Alfred Marshall about Marx’s revolutionary teachings, that the Cambridge economist and tutor of Keynes; exclaimed “*Natural non facit saltum*” which, as every school child knows, means “*Nature makes no leaps*” (PRINCIPLES OF ECONOMICS LONDON, Macmillan 1920, motto on the title page)

In the Twentieth Century the degeneration of economics continued unabated. Workers were erroneously blamed for inflation and unemployment. And banks were given the power to create credit at a stroke of a pen. Yet the destructive economic cycle predicted by Marx coupled with high levels of unemployment continued. Schools of economics came and went with the passing failure of each government economic policy. Economists could no more explain periodic trade depressions than to predict them. Today economists are ridiculed and treated as a joke; a monkey let loose on a typewriter has as much chance of producing meaningful economic theory as professors of economics.

## Truth Will Out

However, science cannot be silenced by ideology. “*Truth will out*” (*Merchant of Venice*). Reality will break through mere appearance. The continued failure of capitalist economics supports and vindicates Marx’s critique of political economy. Capitalism can never be made to be run in the interest of all society where the profit system is based on class exploitation leading to class struggle.

Socialists, influenced by Marx, have periodically written on banking and inflation to show that wealth is not created by banks but by the exploitation of wage labour in the productive process of commodity production. Surplus value is created in production but realised in circulation as rent, interest and profit. The trade cycle is a fact of life with its periodic depressions and high unemployment.

Likewise Socialists have shown that wealth is not created on the stock exchange where the gambling in shares is a zero-sum game, some winning others losing. And we have shown that inflation is caused by governments pushing out more currency into circulation than is needed for trade and not caused by rising wages.

Capitalism has to be understood and rejected in its entirety. Consequently, the main battle of ideas in the class struggle is in the field of economics. The ideas of the capitalist class and their political agents cloud a clear understanding of capitalism since they present conflicting class interests as being harmonious and the economy as capable of being run in the interests of all society.

Capitalists, for example, do not create wealth. Workers do. Workers are not dependent on the capitalist class but could run society in their own interests within common ownership and democratic control. Capitalists are dependent on the exploitation of workers for their wealth and privilege.

Ruling class ideas have to be dealt with on a basis of understanding the whole commodity production and circulation process however arduous and boring the study of economics happens to be. Capitalism benefits capitalists, not workers and capitalist economics is the employer's set of ideas to keep workers in their place. You will not hear Chancellors of the Exchequer lecturing the CBI to make less profit and give workers higher wages but you will always hear Chancellors telling workers to be more productive and not to take increased pay rises.

## Who are these Economists?

And who are all these economists who tell their students not to read Marx because he has no application to the modern world? They are alleged to be the best brains in the country; the cream of the universities. They get knighthoods and peerages; decide what does and what does not constitute economics; whom to study and whom to

ignore. They are offered positions on government Committees; give advice to politicians and Ministers - some even receive the Nobel Prize for economics. But one thing they do not have is an understanding of is their own subject matter.

In her book WHAT IS ECONOMICS? Rosa Luxemburg said that a professor of economics was like the Master of the Court Protocol:

*“...who asserted that he was absolutely convinced that monarchies would have to endure forever: after all without monarchies, what would he do for a living”* (New York 1954 Section 1 p. 11).

Of course, you do not have to be an economist to be the Governor of the Bank of England. The late Mr Leigh-Pemberton, when he was appointed Governor of the Bank of England on 5th April 1990 told the media that he did not know anything about the job. In fact his background was law but he could have been a theologian for what it was worth.

He said that he noticed that the Bank of England continued to produce learned papers on how to dampen inflation but the general price level continued to go up.

Leigh-Pemberton had a brainwave; he asked people to write in to him with their own ideas of what the Bank should do. What suggestions the Bank of England received is anyone's guess but it would have been a waste of time. Even if the Bank went back to the gold standard it would still not prevent periodic trade crises and high levels of unemployment.

And, if Marx was taken seriously by the economists, how could they go on and explain to Government Ministers that the game was up and the only course of action would be for the working class to abolish capitalism and establish Socialism? Economists expressing views influenced by Marx would not have very good career prospects.

Part of the reason for Mr Leigh-Pemberton's ignorance and desperation is the fact that the Bank of England claims that there is no satisfactory definition of money. They say all definitions of money are arbitrary.

This, though, was not the case when the Bank of England was founded in 1694 when a definition of money to means notes and coins backed by a gold standard was widely held until Keynes muddied the monetary waters in the 1930's.

And of course Marx gave a valid and sound definition of money. He said:

*“The commodity that functions as a measure of value and, either in its own person or by a representative, as the medium of circulation, is money”* (CAPITAL VOL. 1 Chapter 3, *Money, or the Circulation of Commodities* Penguin p 227).

Marx then went on to give a detailed account of money in relation to hoarding, means of payment, and its function on the world market.

And elsewhere Marx quoted from a speech given in the House of Commons by the then Chancellor of the Exchequer, William Gladstone:

*“...not even love has made so many fools of men as pondering the nature of money”*

Economists up to Keynes knew what caused inflation and knew what governments had to do to get it down again. Modern day economists only have to read David Ricardo's tract THE HIGH PRICE OF BULLION, A PROOF OF THE DEPRECIATION OF BANK NOTES (London, 1810) to understand inflation and what needs to be done to bring it down. Cannan dedicated Ricardo's tract to the Treasury Library but it seems it was never read although Cannon's note is still in the book where he had placed it eighty odd years ago.

The foolish confusion among economists about money reached its climax with the rise of Monetarism in the 1970's. Then we had M0 and M1 to refer to coins and notes in circulation and other money equivalents. M2 includes M1

plus short-term time deposits in banks and 24-hour money market funds. M3 includes M2 plus longer-term time deposits and money market funds with more than 24-hour maturity. M4 includes M3 plus other deposits. And the term broad money is used to describe M2, M3 or M4, depending on the local practice. And now some economists want to include stocks and shares and housing in the definition of money.

Professor Cannan, writing in the 1930's, warned that once money became to be seen as more than notes and coins in circulation then economists would keep adding and adding to what they perceived to be "money" so that money ended up as a vulgarized concept meaning all things to all men. That stocks and shares, and housing are now being considered as money by some economists means that Cannan's prophecy has come to pass; money and credit have collapsed into mysticism.

## Hired Gunslingers.

Thomas Carlyle once remarked about the "*Respectable Professors of the dismal Science of political economy*" That was in the 1850's.

What about today's economists? Instead of Carlyle's romantic anti-capitalism we should turn to Marx's critique of political economy for an answer. He said that the economists after Smith and Ricardo were vulgar and superficial. They are like Voltaire's character Dr Pangloss in his 1759 novel CANDIDE- exclaiming with craven sycophancy that for capitalism: "*all is for the best in the best of all possible worlds*". In other words they act out the role of mere hired gunslingers:

"...who only flounder around within the apparent framework of those relation (of production), ceaselessly ruminate on the materials long since provided by scientific political economy, and seek there plausible explanations of the crudest phenomena for the domestic purposes of the bourgeoisie...the vulgar economists confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one" (CAPITAL VOLUME I Chapter 1 The Commodity note 34 pp174-175 Penguin) An accurate description by Marx of Modern economics! Neither respectable nor a science.

### ON CAPITAL

Political economists have laid it down as an axiom that capital,...is eternal; they have tasked their brains to show that capital is coeval with the world, and that it has had no beginning, so it can have no end...So great were the zeal and ardour which economists brought to bear on their search for capitalistic property in prehistoric times that they succeeded, in the course of their investigations, in discovering the existence of property outside the human species, to wit, among the invertebrates; for the ant, in her foresight, is a hoarder of provisions...But there is a gap in the economists' theory of the eternity of capital. They have omitted to show that the term capital exists from all time...It is inadmissible that in the domain of political economy the terminology should have been so inadequate as not to furnish a name for so useful and all important a thing as capital; yet it is a matter of fact that the term capital, in the modern sense, dates no further back than the 18th century...

The term capital, though of Latin origin, has no equivalent in the Greek and Latin tongues. The non-existence of the word in two such rich languages affords a proof that capitalist property did not exist in ancient times; at least not as an economical and social phenomenon...The capital form of property is the truly typical form of property in modern society. In no other society has it existed as a universal or dominant fact.

THE EVOLUTION OF PROPERTY: SOCIAL AND PHILOSOPHICAL STUDIES, Paul Lafargue, London 1975 pp 1-7 .

[Back to top](#)

## The Working Class and Exploitation (Part 1)



# The Working Class

Every Socialist knows that capitalism is based upon the exploitation of the working class, but it is important that all workers should understand their position within this context. Workers should become class conscious, which is a necessary precondition to become a Socialist. Workers would then be in a position to end capitalism and establish Socialism which would be a classless society and an end of their exploitation.

Exploitation under capitalism involves commodity production and exchange for profit and the division of society into classes; capitalists and workers the exploiters and the exploited. However, the majority of people fail to understand the nature of class and class exploitation.

In order to define the classes of capitalism, Socialists proceed from the fact that human beings, before anything else, have the means to support their lives such as food, clothing and shelter as well as many other things depending on the stage reached in the development of society. Given this fact, Socialists define class as the way people stand in relation to the means of production. The means of production in capitalism consist of natural resources, land, mines, factories, transport, communications and all the technology required for the support of life under capitalism.

These social means of production are owned by a minority of the population; that is, the capitalist class. As a consequence the capitalist class is defined by the ownership of the social means of production which enables them to exploit the working class for the purpose of accumulating capital. This leaves the vast majority of the population as non-owners. These are the working class, so-called because they must work for the capitalist class in order to live. The workers have no alternative other than selling their labour power for wages. Yet people still deny the existence of classes believing that class issues no longer apply and are not relevant to modern society.

There is confusion about class. And that is the idea of a middle class; sometimes referred to as white collar workers. The middle class is a myth and only serves to confuse and divide the working class. Those who are employed in occupations such as civil servants, bank workers, teachers, managers and so on who are classified as middle class are simply part of the working class.

Another crude definition of class is that those who work solely with their brain are middle class and those who work with their hands are working class.; as if it is possible for people to work without bringing both physical and mental functions into play. Gordon Brown, when Prime Minister, continued this myth with his talk of wanting to create: “*an aspirational middle class*” and a society of: “*social mobility and a genuine meritocracy*”.

However there are only two classes in capitalism: workers and capitalists. Their interests are diametrically opposed because workers are forced to struggle for the highest possible price for their labour power and the capitalist tries to get as much surplus labour out of the workers for the lowest possible wage. This economic aspect of the class struggle is a necessary outcome of capitalism’s class system.

There is also the political aspect of the class struggle. This requires a Socialist working class to gain political control for the sole purpose of dispossessing the capitalist class of the means of production in order to convert it into common ownership under democratic control to be used for the benefit of all society. This can only happen when a sufficient number of workers understand and want Socialism and are ready to take the necessary political action to achieve this Socialist objective.

What has been sketched out above is a very important aspect and a defining feature of the working class. The working class has the potential to make a conscious revolutionary change from capitalism to Socialism. It is the common interest of the worlds’ workers which binds them together as a class.

Only Socialists highlight the revolutionary potential of the working class. The reason is that Socialists see capitalism as a dynamic social system which generates the forces of its own destruction. And the greatest force for change is the working class. The competitive nature of capitalism requires capitalists to continually reduce the necessary labour time in the production of their commodities. The result is a continual improvement and development in the forces of production creating the material basis for Socialism.

# How are workers exploited?

Having defined the working class the question arises: “*how are they exploited?*” And if they are exploited, as Socialists say workers are under capitalism, what form does this exploitation take?

It is generally thought that workers are exploited only if they are paid below the minimum wage or below the union rate or if they work excessively long hours and so on. In fact all workers are exploited no matter what their wage is, or their hours of work. Although workers feel the effects of exploitation in almost every aspect of their lives they fail, for the most part, to recognise that they are an exploited class.

Instead the capitalist is seen as the lynchpin of society and the provider of employment. The workers erroneously believe that without a capitalist society would come to standstill. However, in reality, the capitalist is a parasite. Instead it is the working class who are the producers of wealth and who run capitalism from top to bottom. By allowing capitalism to continue the workers condemn themselves to wage slavery.

The reason why workers find it difficult to understand their position as an exploited class is because they do not go beyond the surface appearance of capitalism. A worker who is employed for a certain period of time –a week, a month and so on receives his wages and so believes he has been paid for his labour. If he believes that he has been paid “*a fair day’s work for a fair days pay*” he reasons that there can be no exploitation although this still leaves the question of where profits come from.

As we know appearances can be deceptive. The worker is in fact not paid for his labour at all. He is instead paid for his labour power; his mental and physical energies. Karl Marx made this point clear in WAGES, PRICE AND PROFIT:

“*...the worker receives his wages after his labour has been performed and knows moreover, that what he actually gives to the capitalist is his labour. The value or price of his labouring power necessarily appears to him as the price or value of his labour itself*”.

Of course we know that exploitation existed before capitalism. If we take the example of chattel slavery, the slave, as well as the products they produced equally belonged to the master. The one could just as well be sold as the other. That the slave was exploited is perfectly clear and it was accepted as the natural order of things. With the break up of slave society and the rise of feudalism it was equally clear that the serf was just as exploited because he would work so many days for himself while working other days in tillage, forestry, quarrying or services for the land owner. Exploitation is different with capitalism because the individual wage or salary earner is free to seek employment where they can.

Marx explained that the price of labour power appears as the price of labour. It is very important that labour and labour power should not be confused. Just how important this distinction is Engels makes clear in his introduction to Marx’s WAGE LABOUR AND CAPITAL. Engels says:

“*...that we are not dealing here with a quibble and word juggling, but with one of the most important points in the whole range of political economy...*”.

What the workers sell to the capitalists then is their labour power; that is, their mental and physical energies. Labour power under capitalism becomes a commodity and is bought and sold just like any other commodity. It is precisely because capitalism is a system of commodity production and exchange for profit that we must understand commodities in order to appreciate the particular nature of exploitation under capitalism.

Marx said the commodity was the economic cell form of capitalism. These are his exact words:

“*The commodity form of the product of labour or the value form of the commodity –is the cell form. To the superficial observer, the analysis of these forms seems to turn on minutiae. It does in fact deal with minutiae, but they are of the same order as those dealt with in microscopic anatomy*” (CAPITAL VOLUME 1 Preface).

The commodity therefore runs through the entire system of capitalist production; it is engrained within it. Wealth under capitalism presents itself as commodities. Food, clothes, houses, and all the things we see for sale in shop windows are commodities, produced to be sold with a view to profit. Even such things as land or even works of art, which strictly speaking are not commodities, can take the form of commodities. Without an understanding of the commodity it is not possible to understand the nature of exploitation under capitalism.

## WHOSE AUSTERITY & WHOSE SACRIFICE?

Recently public sector workers in Greece were forced to accept no pay increase for three years and to lose their bonus, equivalent to two month's salary as part of an austerity package imposed by EC and the IMF. In Britain workers are told that a similar set of austerity measures will be imposed including job cuts. The economist, Stephen King states "*We are all facing a future of austerity and sacrifice*" (INDEPENDENT 02.05.10). According to the Mr King there will be social pain for a decade. Already workers have had to take pay cuts, go on part time working or take enforced holidays. But "*All*"?

There is one section of society is immune from this austerity and sacrifice. And that is the capitalist class conveniently missed out from Mr King's article. The capitalist class will not make any sacrifices. It is business as usual for the rich. THE TIMES RICH LIST has shown that the top 1000 parasites in Britain saw their wealth increase by a third despite the economic depression. Whatever is inflicted on the working class over the next decade you will sure to see the capitalist class retain their wealth and privilege. That is, unless workers start to understand their class position and is prepared to do something about it. And that means taking political action as Socialists with a clear objective of replacing capitalism with Socialism.

[Back to top](#)

# Capitalism and Censorship

The Chinese government has recently toughened requirements on ensuring State censorship and conformity by launching a new certification system that requires the training of journalists in "*Marxist and communist theories of news*".

THE SOUTH CHINA MORNING POST (11.03.10) reported, Li Dong Dong, the deputy director of the General Administration of Press and Publication, as saying "*some reporters were giving Chinese journalism a bad name because they haven't been properly trained*". She didn't give any specific examples but it is clear that dissent in China is becoming harder and harder to enforce. As a private capitalist class emerges it will want its specific interests advocated through its own politicians and media.

It was not clear how such training would be administered, but foreign journalists are exempt. They will be able to articulate the interests of their own capitalist class and those who own and control the media like Rupert Murdoch.

And the capitalist media is highly partisan in what it allows to be printed. No journalist working for the Barclay Brothers, Rupert Murdoch, Lord Rothermere and the pornographer Richard Desmond, the owner of Television X and the DAILY EXPRESS, would dare to write criticism against their owners. And no editor would let any such criticism be published which effected the owner's interests. Access to the media is heavily controlled and managed whether in capitalist China or Western Europe.

## Censorship in China

According to the Chinese Communist party "*Communist*" theories of journalism say the media should serve the leadership and not undermine its initiatives. Government censors keep a tight grip on news content and routinely ban reporting on issues deemed too politically sensitive or destabilizing, and many media outlets in China serve as mouthpieces for the State.

But recently some newspapers have become more critical of the government because they can increasingly exist on advertising revenue instead of just Communist Party patronage for their survival.

The deputy Director said:

*"Comrades who are going to be working on journalism's front line must learn theories of socialism with Chinese characteristics and be taught Marx's view on news, plus media ethics and Communist Party discipline on news and propaganda,"*

There is of course no “*theories of Socialism with Chinese characteristics*” any more than there was “*Socialism in one country*” in what was once the USSR.

A principle theory of Marxism is that there will be no coercive State in Socialism. Socialism will be established by a class conscious working class majority. And in Socialism there will be no wages system.

Chinese capitalism was established by the action of a minority intellectual elite supported largely by peasants. And the existence of a one party State and the wages system demonstrates, from a Marxian perspective, that there are no socialist characteristics in China. If there are Socialists in China putting the case against class exploitation and for common ownership and democratic control of the means of production and distribution by all of society they will either be in prison or doing the best they can under the circumstances while avoiding the secret police.

## **Marx and Censorship**

What of Marx’s “*views on the news*”? He was against any form of censorship. Here is Marx in his own words:

*Where there is no press law there is no law which can be violated by the press. The censorship does not accuse me of violating an existing law. It condemns my opinion because it is not the opinion of the censor and his superiors. My openly performed act, which is willing to submit itself to the world and its judgment, to the state and its law, has sentence passed on it by a hidden, purely negative power, which cannot give itself the form of law, which shuns the light of day, and which is not bound by any general principles ( MECW, Volume 1, pp. 132-181).*

There is no future for the Chinese Communist Party and its coercive State. It might seem invincible but so then did the Soviet Empire. Capitalism is a world wide system of exploitation which includes China. No amount of censorship will stop that process of capitalist political representation taking place. It is, of course, not an inevitable process. A world wide Socialist revolution is still possible and necessary. But that would require the existence of a working class socialist majority and not the needs of capitalists in China for their own political parties to pursue sectarian economic interests.

## **The SPGB and Censorship**

The Socialist Party of Great Britain has always opposed capitalism’s wars on the grounds of class interest. Workers have no country to fight and die for. Wars are about trade routes, spheres of strategic influence and raw resources. This has periodically led the SPGB into conflict with the capitalist State.

The Socialist Party of Great Britain was censored during the First World War following The Defense of the Realm Act passed by Parliament without debate forcing the Party to close down its meetings. Several libraries refused to continue taking THE SOCIALIST STANDARD and in 1916 the war office forbade it being sent abroad (THE MONUMENT B. Barltrop p. 55 1975).

Only one article was excluded in the four years of war when the printers refused to print an article by Hyam Jacomb which he had put into type. THE SOCIALIST STANDARD had instead a blank column headed:

*LLD. GEORGE AND THE CLYDE WORKERS: The firm who machines this paper has refused to print this article which was set up to appear under the above heading. We are therefore compelled to withdraw the article. We congratulate the Government on the success of their efforts to preserve the "freedom of the press" (loc cit p55).*

During the Second World War the censorship continued. The Defense Regulations introduced by Sir John Anderson in May 1940 were directed specifically against printed matter which persuaded its readers against support for the war. The SPGB was forced to withhold re-publication of its 1936 pamphlet WAR AND THE WORKING CLASS and from June 1940 THE SOCIALIST STANDARD no longer printed anti-war material (loc cit p. 107).

The SPGB has always argued that political ideas should not be suppressed but debated in the open. Workers must understand that the political ideas supporting the capitalist class whether from supporters of the British National Party, Greens and Liberal Democrats do not serve the interest of workers. That is why the SPGB debated Moseley's British Union of Fascists in the 1930's and attempted to debate the National Front in the 1970's.

Those who wanted to prevent the working class from hearing Socialist arguments against The British Union of Fascists and the National Front were first the Communist Party and then the Socialist Workers Party. They were the real fascists. They believed workers were too stupid to come to their own conclusions about political arguments which is understandable since both these pernicious organizations derive their core anti-Marxian beliefs from Lenin.

Of course no Socialist would ever prevent another political organisation from holding a public meeting. Socialists would never use the police (the coercive forces of the capitalist class), to close down a political meeting any more than they would use violence or threaten violence against opponents. Such action you would expect from the extreme right or left of capitalist politics not from Socialists. The Socialist Party of Great Britain has free and open meetings to everyone where there is the opportunity for questions and discussion.

[Back to top](#)

## No Social System Lasts Forever

Defenders of capitalism can never be convinced of an alternative to private property ownership of the means of production. As Marx rightly observed they can never get outside their bourgeois skin. They cannot free their thinking from the categories of capital which they take as natural and eternal.

However, the appeal of socialism is not to the defenders of the capitalist class, nor to its philosophers and economists like Popper, Hayek and Mises who believe it is their job legislate what is and what is not science, what is and is not logically possible and what is and is not practical.

The Socialist case is not directed at the capitalist class and its political agents but at the working class. Socialists have to foremost show that capitalism causes the problems the working class face on a daily basis and that capitalism can never be reformed or made to work in their interests. The case for the necessity of Socialism comes out of this politics. Socialism is not an add-on utopian extra.

And as we survey capitalism it is quite evident that it is the cause of social problems like unemployment, war, social alienation and poverty. Millions of children unnecessary die through diseases which could be cured if the motive of production was not the anti-social pursuit of profit.

All the social problems faced by the working class are totally unnecessary. All these problems exist as a direct result of capitalism. If a social system is incapable of resolving social problems, with or without social reforms, for the benefit of the working class then an alternative social system becomes a pressing necessity.

It is simply absurd to believe that capitalism will last forever. Capitalism can never meet the needs of everyone on this planet, sufficiently and for the foreseeable future. There will always be questioning, dissent and the pressing claim of the Socialist alternative to the profit system.

After two hundred years capitalism has demonstrated that it is incapable of meeting the needs of all society and the existence of legions of social reformers and charities endlessly trying to mitigate this or that social problem only exist to confirm the socialist case against capitalism. This gives Socialists very good grounds for rejecting the baseless proposition that there is no alternative to capitalism.

## No Social System lasts forever

We can also consider the example of history. And we will find in history a consolation to which the ruling class and its apologists have no access.

At the end of the crushing defeat, with Spartacus dead on the battlefield, 6000 slaves were crucified along a 2000 metre stretch of the Appian Way to Rome. Crucifixion was a cruel and painful death. The symbolic exercise of crucifying the slaves back to Rome was to demonstrate to this class the imperial power of Roman society; the power of its ruling class and the perennial glory of ancient Rome. Within a few centuries that Empire had been swept away. No Empire last for ever and this fact applies equally to countries like the United States as it once did to Rome, Britain and Russia.

Here is another example. At the end of the Peasant's revolt in 1381, Richard II reportedly told the serfs that "*serfs you are and serfs you shall remain forever*". John Ball, one of the leading thinkers of the Peasant's revolt was tried in front of the King at St Albans and then hung drawn and quartered.

There is no blue plaque to John Ball in the old market square of St Albans where he was executed. His feudal dictum: "*When Adam Delved and Eve Span, who was then the Gentleman*" lives on in William Morris's, *A DREAM OF JOHN BALL*, (Lawrence and Wishart 1977) but the class to which he preached has long since disappeared. They left little or no written history of their struggle.

In 1539 during the reformation the Abbey at St Albans where Ball had been imprisoned was closed and the successors to the Monks who wrote the chronicles against Ball were evicted and their wealth looted. The Treasury and cloisters are now ruined fragments of stone. Four centuries later there were no serfs at all to be found in Britain. Instead there was a propertyless and exploited working class with children sent to the mills and women forced down the mines. A different subject class existed in place of the old one; a class of workers imprisoned within the exploitive wages system and forced to sell their ability to work for a wage and a salary.

Richard II was wrong. The ruling class he represented had also been swept away, first, in the 17th century, through a Civil War which disposed the doctrine of the divine right of kings, feudal tithes, and the feudal power base of the monarchy, then in the 17th century a *Glorious Revolution* which gave political power to a cabal of landed aristocracy, City bankers, merchants and the early industrial capitalists.

From the perspective of history the working class movement is relatively young. Its movement is not smooth and linear. Mistakes have been made and there are periods when this movement is stronger than others.

The working class movement has passed through three political stages. First an incoherent stage around the actions of groups like the Luddites. Then a more coherent phase which saw workers identifying themselves as a class with political interests such as the Chartist movement. And then another phase formed by the scientific writings of Marx and Engels. Finally, through bitter political experience workers became transparently aware of their class position, that it could only be furthered by themselves, democratically within a principled political Party with only one object; Socialism. This was reached at the turn of the last century in 1904 with the establishment of the Socialist Party of Great Britain.

THE OBJECT AND DECLARATION OF PRINCIPLES, drawn up by working class men and women, presented a sound and valid Marxian critique of capitalism and a political programme through the revolutionary use of the vote and Parliament to achieve a Socialist object.

From this point in working class history political the socialist movement has been painfully slow. There is the problem of the number of socialists and access to communication to disseminate socialist ideas. There is the problem of identity when so many other parties describe themselves as *socialist or communist*. And there is the problem of persuasion; of persuading workers to become aware of their class position, to understand that capitalism can never be made to work in their interests and that the only way to solve social problems reformers have failed to resolve is through conscious political action as socialists.

However Socialists have one major factor in our favour: capitalism itself. It is the failure of capitalism to meet the needs of all of society and its relentless class exploitation that generates socialist consciousness, socialists and the political class struggle.

## The consolation of history.

There is a danger of resignation and cynicism But Socialists would say that it is misplaced. There is, as we will see, consolation in history. If defenders of capitalism believe there is no alternative to the market and that the profit system will carry on forever then how do we throw light on this dark conservatism?

In an article written in 1944, George Orwell remarked that in the modern age history is written by the winners who then go on to control the past as well as the future. He may have had a point but in fact all past ruling classes have controlled the production of official history. In 1984 history had stopped signified by the clock striking 13; the “*proles*” were incapable of making history, no more creative and imaginative than the yahoos of Swift’s Gulliver’s Travels. Orwell was no Socialist; he was nothing more than a political dilettante –and Eton produces too many of them -whose writings could as easily be appropriated by the Tories as the Labour Party.

So who speaks for the past? In the ancient slave societies of Egypt, Greece and Rome it was the scribes and court historians who transmitted a past wholly slanted towards the dictates of the ruler or ruling party. In Feudalism the rulers also had their historical apologists it was only by word of mouth that alternative histories could be transmitted.

The modern age of capitalism has as one of its starting points Johann Gutenberg’s invention of moveable type and the creation of the printed book. A life that was provincial, rural and insular was soon urban, cosmopolitan, and united, in part because of the knowledge and power provided through the written word.

New intellectual horizons were opened up by the vast amount of information that was suddenly available. Authorities were subject to challenge, and cherished ideas could be questioned. Where books were once so rare that the fear of theft kept them chained to posts in libraries, within four decades of Gutenberg’s invention there were one thousand printers who produced thirty thousand titles with a total of nine million copies that circulated throughout Europe.

Where literacy was once the province of the wealthy and learned, soon over half the European population was reading books about the past. Where only the ruling class and its representatives could speak for history, now almost anyone could. With the development and wide-spread use of the internet communication and access to information means that we are indeed our own historians. We are not dependent on the ruling class and their representatives for our history. We can produce our literature, disseminate our ideas and convince fellow workers to join us in our struggle to establish Socialism. Orwell was wrong. History can be written by the working class. And history can be made by the working class. We can also determine our own future.

## Making History

In his 1931 presidential address to the American historical association the historian Carl Becker spoke about, “*Everyman His own historian*”. Marx’s theory of history is not for *everyman*. It is a theory and explanation of history for the propertyless, the exploited, and the wage slave. It is a theory of history that the ruling class and its politicians want to deny but cannot do so because the facts which support it are so compelling.



Our opponents want to deny a politics of liberation from class relations, from class monopoly of the means of production and from class exploitation. They want to prevent a politics of change. Yet they cannot explain, without calling into question their own theory, a simple historical event like the need for workers to form themselves into trade unions to protect themselves from the exploitation of Capital.

Take as an example the late economist and Nobel prize-winner, Paul Samuelson. Not only did Samuelson write Marx off as a “*Minor Post-Ricardian*” but he was the author of the primary economic text-book ECONOMICS. In his grand narrative Samuelson treated the concerns of trade unions as “*subjective*” and “*unnecessary*”. For Samuelson the post-war “*mixed economy*” was harmonious, a state in which he believed capital and labour would live together in economic and political harmony (see ANTI SAMUELSON, M Linder vol. 1. p125-128 1977). Academic apologists for capitalism have no explanation for events in history around class struggle and class repression. Their writing is a history of kings and queens, the *Magna Carta*, the Bill of Rights of Statesmen and legislators. It is not our history. In denying an alternative to capitalism they are denying history; a history where social systems do change; a history of class struggle and a history of revolution.

As Socialists confront the dark conservatism that seems to represent a political perma-frost we can consider the following quotation from Marx’s COMMUNIST MANIFESTO. Marx wrote that capitalism was once a progressive force in history. He wrote that capitalism constantly revolutionised production. However, there was a sting in the tail:

*“All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind”* (SPGB COMMUNIST MANIFESTO AND THE LAST HUNDRED YEARS p. 63)..

It is in this sense of facing with sober senses the real conditions of life that capitalism creates its own grave-diggers: the world’s working class. Workers have the potential to abolish class society and replace the private ownership of the means of production with common ownership and democratic control of the means of production by all of society. Workers do not have to remain wage slaves imprisoned within the wages system. Workers can make history, consciously and politically by replacing capitalism with Socialism.

And there is no better conclusion than to consider the following poem, OZYMANDIAS, by Shelley ridiculing the belief that nothing changes and ruling classes will live on forever.

*I met a traveller from an antique land  
Who said: Two vast and trunkless legs of stone  
Stand in the desert. Near them, on the sand,  
Half sunk, a shattered visage lies, whose frown,  
And wrinkled lip, and sneer of cold command,  
Tell that its sculptor well those passions read  
Which yet survive, stamped on these lifeless things,  
The hand that mocked them, and the heart that fed;  
And on the pedestal these words appear:  
"My name is Ozymandias, king of kings:  
Look on my works, ye Mighty, and despair!"  
Nothing beside remains. Round the decay  
Of that colossal wreck, boundless and bare  
The lone and level sands stretch far away.*

## SHELLEY’S OZYMANDIAS

Marx and Engels both acknowledged, albeit critically, the influence of previous social commentators and philosophers on the development of Socialist ideas. However it was a mistake by Edward and Eleanor Marx-Aveling to try to align Shelley’s writings with the Socialism of the late 19th century (SHELLEY AND SOCIALISM 1888 marxist.org). Shelley was a romantic poet and founded the magazine THE LIBERAL in 1821 with Leigh Hunt and Lord Byron while mature Socialist ideas arose out of the class struggle of the working class against capitalist

exploitation a fact acknowledged by Engels in ANTI-DUHRING (*Introduction* Moscow pp 36-39 1978).

This does not stop Socialists using Shelley's poetic imagery to good effect in much the same way as we do with Shakespeare's plays (although he was a first class reactionary) and John Lennon's *Imagine* (although he supported the IRA).

The poem OZYMANDIAS is a good illustration of change occurring despite the wish of a ruler to hold onto power forever. The sonnet from 1817 is probably Shelley's most famous and quoted poem. The Sonnet is a sustained single metaphor representing the shattered, ruined statue in the desert wasteland, with its arrogant and boastful face and egotistic inscription: "*Look on my works, ye Mighty, and despair!*" Ozymandias's boast about his eternal power has been shown by the passing of time to be baseless. His works have crumbled and disappeared, his civilization is gone, and all his political power represented by the statue has been turned to dust by the impersonal, indiscriminate, destructive power of history.

The ruined statue is now merely a monument to the insignificance of ruling classes to the passage of time where "*Nothing beside remains*". And we only have to consider today the mathematical theories constructed by crazed economists to justify markets, prices, money and employers and the monuments designed by craven architects to the ruling class in modern capitalism; their art galleries, houses and smart commercial offices for Socialists to make the telling point that no ruling class lasts forever; no exploitive social system is natural and eternal and that a working class can and will make history. There is an alternative: Socialism.<

[Back to top](#)

## Engels: The Frock-Coated Communist

Frederick Engels had an income to live a quite comfortable life first in Manchester among the "*cottonarchy*" then in London at Primrose Hill just outside Hampstead Heath (there is a blue plaque on the wall of the house where he lived). He did live well as highlighted in the recent though unsympathetic book on Engels' life, THE FROCK-COATED COMMUNIST (2009) by the historian Tristan Hunt (now a Labour MP). Mr Hunt also informs us that Engels engaged in fox hunting with the Cheshire Hunt (very aristocratic but Engels believed it was necessary for keeping his military skills up to scratch) and helped found the Halle Orchestra in Manchester. Engels apparently hated working in his father's cotton mill and had to keep his Socialist activity quiet from the Mill owners he had to associate with during the day.

Tristan Hunt's book, in its paperback edition, refers to Engels as "*the original champagne Socialist*" a derogatory label for a person who expresses support for revolutionary Socialism, but lives a lifestyle that seemingly contradicts these values as though Socialists had to live lives of ascetic monks.

The label "*champagne Socialist*" is of course a logical fallacy; an attack against the person rather than the ideas they hold. It does not matter whether a Socialist wears a frock-coat or rags; drinks beer or champagne; visits the opera or listens to Country and Western music. What is important for Socialism is that the revolutionary case being put by the Socialist argues is valid and sound. Rather a Socialist who drinks champagne than a non-socialist who doesn't.

In any case Marx and Engels saw nothing wrong with members of the bourgeoisie throwing in their lot with the working class.

As the Communist Manifesto states:

*"...in times when the class struggle nears the decisive hour, the process of dissolution going on within the ruling class, in fact within the whole range of old society, assumes such a violent, glaring character, that a small section of the ruling class cuts itself adrift, and joins the revolutionary class, the class that holds the future in its hands..."*

A much better study of ENGELS is the book Engels by Terrell Carver (Oxford 1980) which has a photograph of

Engels taken in 1895 the year of his death showing him physically and mentally exhausted by years of hard work.

Engels gave financial support to Marx and helped him with his researches in the preparation of CAPITAL. Throughout his adult life he took part in Revolutionary Socialist politics. Tristan Hunt, a supporter of the Labour Party instead wants to retain capitalism while Engels worked all his life for its abolition.

More importantly Engels used his time to write an important set of Socialist texts; OUTLINES OF A CRITIQUE OF POLITICAL ECONOMY (1843), THE CONDITION OF THE WORKING CLASS IN ENGLAND (1844), THE GERMAN IDEOLOGY (1846), with Marx, THE COMMUNIST MANIFESTO (1848), ANTI-DUHRING (1878), THE ORIGIN OF THE FAMILY, PRIVATE PROPERTY AND THE STATE (1884) DIALECTICS OF NATURE (1883), as well as numerous articles in *Neue Zeit* like the brilliant but unfinished THE PART PLAYED BY APE IN THE TRANSITION TO MAN (1876). And he wrote important Socialist pamphlets: *Feuerbach and the End of German Philosophy, Socialism: Utopian and Scientific, The Housing Question* as well as editing and writing introductions for Marx's own works and supervising the translation of the first volume of CAPITAL into English.

And it was Engels who originally turned Marx's attention towards a critique of political economy. Engels's 1843 essay is a brilliant and lucid account of the defects of political economy notably those of Malthus. At one point Engels writes:

*Political economy came into being as a natural result of the expansion of trade, and with its appearance elementary, unscientific huckstering was replaced by a developed system of licensed fraud, an entire science of enrichment (MARX AND ENGELS ON POLITICAL ECONOMY [www.marxist.org/archives/works/subject/economy](http://www.marxist.org/archives/works/subject/economy)).*

Marx made a brief comment on Engels's OUTLINES OF A CRITIQUE OF POLITICAL ECONOMY in some notebooks during the first half of 1844 which can be read in *Marx Engels Collected Works Volume 3* (Marxist.org). Engels's foremost contribution to Socialism was to plough through Marx's unfinished and almost unreadable manuscripts to produce two further editions of CAPITAL and lay the ground work for a future three further volumes known as THEORIES SURPLUS VALUE.

Engels editorship of CAPITAL was invaluable allowing the reader to grasp the entire process of "*capital in motion*" which Marx had started in the first volume with the analysis of the commodity and concluded in the third finished with among things the demolition of the trinity formula where labour, capital and property appear to live out their existence in social harmony (Part 7: *The Revenues and their Sources*).

The editorship of Marx's second and third volumes of CAPITAL was to cost Engels his health. This was not work of "*pleasure*" but work of hardship and adversity. But work vitally important in the struggle for Socialism.

Engel's whose idea of happiness, as revealed in a quiz set by Karl Marx's children, was a bottle of Château Margaux 1848 apparently a very good year for a red. For the hard work Engels did for Socialism no one should begrudge him his vintage wine, fine food and classical music.

[Back to top](#)

## The Same Old Politics

Nick Clegg, the new Deputy Prime Minister believes that there is a new politics. Out goes the "*yah boo*" confrontational politics of the past and in the new politics of partnership and compromise.

For the working class it is the same old politics; the politics of class, class interest and class power. When Cameron and Clegg were paraded on the Downing Street lawn after the horse trading had finished between their respective parties they were merely the same old politicians about to run capitalism in the interest of the capitalist class. Nothing had changed. All they could promise for the workers was austerity, social pain, and cuts in living standards. No different from the policies of the outgoing Labour administration. And the war in Afghanistan is to continue too,

so no change there.

The austerity programmes of Greece, Iceland, Spain and Portugal show what is in store for the working class; pay cuts; attacks on workers conditions of work and higher unemployment. The day Cameron and Clegg consummated their political marriage the unemployment rate went up by another 50,000; a rise to 2.51 million. It is likely to rise further with some predicting up to 100,000 job losses in the public sector over the next few years. The coalition of the Conservatives and Liberal Democrats might enjoy a honeymoon period before it all turns sour but the working class are going to endure the pain and discomfort as they always do no matter who is in power.

Capitalism has serious problems about profitability. The capitalist class has lost a lot of money. Restructuring, use of part-time workers, sacking high paid workers and replacing them with cheaper labour, using fewer workers and getting them to produce more will be the techniques used by employers against workers; that is increasing the rate and extent of exploitation. And there is only one goose that lays the golden egg under capitalism and that is the working class. It is the working class who create the social wealth. They are the ones who produce the social wealth both as earned income in the form of wages and salaries and the unearned income that goes to the capitalist class in the form of rent, interest, and profit.

Capitalist politics is always about conflicting interests; on whose shoulders will the tax burden fall; of the disputes between importers and exporters; between industrial capitalists and financiers; between those who want high or low inflation; those who want high or low interest rates; of who gets government subsidies and who doesn't; whether Britain should be in the Economic Union or outside the EU, whether to join the Euro or remain with Sterling. Capitalist politics is a politics of conflict; of winners and losers. Capitalist politics is and will always remain "*tribal*".

The politics of class conflict is the politics of Clegg and Cameron as it was for the anti-working class Labour Party. This is the politics of capitalism. It is not new. Forget the rhetoric about "*freedom. Fairness and responsibility*" presented by Cameron to the media, the reality of Conservative politics, as it is for any other Capitalist party is sordid, vile, unpleasant and vindictive. It can't be anything else.

And the coalition certainly is not principled. Power and the exercise of power is all that matters. The particular capitalist interests pursued by Cameron's Tories are not those embraced by Clegg and his Party. The capitalists who support the Conservatives are not the capitalists who support the Liberal Democrats. The Interests of one section of the capitalist class always jar with those of another section and need independent political representation. Who cares if the alliance between the Conservatives and Liberal Democrats lasts either a month, a year or to its full term? All capitalist politics is about the interests of capital not labour; it is about the interests of a minority who own the means of production as private property and not the majority who own nothing but their ability to work.

And in pursuing the national interest; in pursuing the economic and political interests of the capitalist class, the national coalition government will come into conflict with the working class. Strikes will be broken; unions will be humiliated; the forces of the State will be used to break worker's resistance in strikes and punish the rioters. It is a capitalist State that will tell workers that they are lazy and must work harder; it is a Capitalist State who will tell workers not to take pay rises and applaud employers who make pay cuts to improve profitability.

In many respects the class politics the coalition government will unleash on the working class is one largely bought upon workers themselves. The working class voted for the three main capitalist parties as well as the fringe capitalist parties like the Greens and UKIP and will now have to endure the consequences.

Of course, there can be a different politics; a principled Socialist politics. There would be no compromise with our class enemies. There would be no coalition pretending the class interests of the capitalists and workers are one and the same when they are not. A Socialist politics would have no leaders and the led; the focus would be the political interests of the working class and it would be have as its object Socialism and only Socialism to be established by a Socialist majority.

The Politics of the coalition government is not progressive but reactionary. They can offer nothing to the working class but austerity and social pain. They cannot create the social conditions where all people have their needs met. The coalition government will fail; like all governments fail because they have to pursue the interests of the

# Object and Declaration of Principles

## Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

## Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

